



Medicare's New Coverage for Prescription Drugs FINANCIAL PROFESSIONALS

MedicareRx
Prescription Drug Coverage X

QUICK FACTS

What you need to know for your clients about Medicare's New Coverage for Prescription Drugs

Why is this important?

- Everyone with Medicare is eligible for this coverage, regardless of income and resources, health status, or current prescription expenses.
- This valuable new insurance coverage is an important part of long-term financial planning and includes a catastrophic insurance benefit.
- To have Medicare help pay for their drugs, people with Medicare must choose a plan that provides Medicare prescription drug coverage. Your clients may have questions for you as they compare options for themselves or loved ones.

Medicare Drug Insurance Coverage Basics

- **Coverage:** Medicare prescription drug coverage is insurance that covers both brand-name and generic prescription drugs.
- **Cost:** Drug insurance plans may have a monthly premium, deductible or copayments, and may set a limit on what they will pay. Plans will also discount the price of the drugs they cover. With Medicare's new drug coverage, a typical person with Medicare, who has no prescription drug coverage today, will save about 50% on prescription drug costs.
- **Peace of mind:** Medicare drug plans include catastrophic insurance of up to 95% of the bill if yearly out-of-pocket drug costs exceed \$3,600.
- **Extra help:** available for people with low income and resources.



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- People with Medicare have two choices to consider when choosing a prescription drug plan:
 - A **Medicare Prescription Drug Plan** that covers only prescription drugs (this choice means keeping Original Medicare Coverage for hospital stays, doctor visits, etc.)
 - A **Medicare Advantage Plan** that covers doctor and hospital care as well as prescriptions
- Retirees with prescription drug coverage will get information from their former employer or union on what they should do.

Key Dates

- **November 15, 2005 – May 15, 2006: Enrollment**
(Like other insurance, those who don't join a Medicare drug plan when first eligible may have to pay a penalty if they choose to join later.)
- **January 1, 2006: Medicare Drug Coverage begins**

Additional Information for Financial Professionals

- www.cms.hhs.gov/fp (financial professional information website)

Additional Information for People with Medicare

- *Medicare & You 2006* handbook
- www.medicare.gov (plan comparison tool)
- To speak to a Medicare representative, call 1-800-MEDICARE (1-800-633-4227) or TTY: 1-877-486-2048

Help is Here
24/7

1-800-MEDICARE
TTY: 1-877-486-2048
www.medicare.gov

